

## MINUTES OF THE STANDING COMMITTEE ON ENERGY AND TECHNOLOGY

**Wednesday, January 25, 2006      9:00 a.m.      Room 519 House Office Building, Lansing**

Representative Nofs, Chair, called the meeting to order.

**MEMBERS PRESENT:** Representatives Nofs, Proos, Emmons, Garfield, Huizenga, LaJoy, Palsrok, Stahl, Moore, Dillon, Murphy, Mayes, Hopgood. (13/19)  
**ABSENT/EXCUSED:** Representatives Drolet, Baxter, Schuitmaker, Accavitti, Hunter, Clemente. (6/19)

Chair Nofs indicated that the purpose of the meeting today would be to receive testimony regarding the spike in natural gas prices in Michigan and what gas utilities are doing to assist consumers who are unable to pay heat bills this season. Additional discussion would focus on whether the current level of funding for this heating assistance is adequate to meet the projected need for the remainder of the season and, if not, to determine how much more may be needed.

The following individuals spoke to the Committee to address the questions presented by the Chair and questions were answered for Committee members:

*Steve Ewing, Vice Chairman, DTE Energy*

Topics included:

Where gas prices appear to be going

What can be done to bring prices down

What can be done to assist customers cope with the high prices

*John Russell, President, CEO Consumers Energy*

Topics included:

Michigan Public Service Commission (MPSC) funding for low-income citizens

Home Heating Tax Credit (for low-income residents and senior citizens)

The Winter Protection Program to avoid winter shut-offs

The Equal Monthly Payment Program

The People Care Program

Increased discounts for homeless shelters

Energy Answers campaign

*George Schreiber, President, SEMCO Energy*

Topics included:

Natural Gas Prices

Gas Demand Outlook

Gas Resources

Impact on Gas Distribution Business

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Rate Design  
Gas Costs  
Gas Cost Recovery  
Regulatory Response  
SEMCO Initiatives  
National Natural Gas Supply Strategies

At this time, Representative Palsrok made a motion to adopt the minutes of the meeting of December 7, 2005, supported by Representative LaJoy. No objections being offered, a unanimous ballot was cast to accept the minutes as presented.

Representative Stahl made a motion to excuse absent members, supported by Representative Huizenga. No objections being offered, absent members were excused.

*Monica Martinez, Commissioner, Michigan Public Service Commission (MPSC)*

What the MPSC is doing to help with high gas prices

Gas Cost Recovery Factors

Consumer Education Forums

LIEFF (Low Income Energy Efficiency Fund)

Winter Protection

Emergency Rules

Save Energy With Ease Program

*Joan Lamoureaux, Specialist, Energy and Emergency Services, Michigan Department of Human Services*

*Margo Yaklin, Financial Specialist, Michigan Community Action Agency Association*

LIHEAP (Low Income Home Energy Assistance Program)

Effectiveness of LIHEAP

LIHEAP Funding History

LIHEAP cases, recipients, and Expenditures by Program Component

Home Heating Credit

FY 2006 LIHEAP Funding and Spending Plan (Revised 1/06)

Projected Expenditures

Projected Shortfall

*Doreen Woodward, Executive Director, Michigan Community Action Agency Association*

Topics included:

Percentage of income spent on household utilities

Survey from community action agencies regarding costs

The Success of Energy with Ease Program in community action programs

Different individuals seeking assistance from community action programs

The need to reinstitute energy efficiency policies

*Kathleen Walgren, Executive Director, The Heat and Warmth (THAW) Fund*  
The increased number of unaffordable energy bills for many Michigan residents  
Eligibility restrictions for assistance  
Spiraling energy prices and the household affordability gap  
LIHEAP funding

Subsequent to discussion, Chair Nofs declared the meeting adjourned, the time being 11:31 a.m.

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Representative Mike Nofs, Chair

Catherine Petroskey, Committee Clerk  
(517) 373-8538